

General Purpose Financial Statements and
Independent Auditors' Report

**CALCASIEU PARISH PUBLIC
TRUST AUTHORITY**

May 31, 2002 and 2001

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Calcasieu Parish Public Trust Authority
Lake Charles, Louisiana

We have audited the accompanying combined balance sheets of the Calcasieu Parish Public Trust Authority, a component unit of the Calcasieu Parish Police Jury, as of May 31, 2002 and 2001, and the related combined statements of revenues and expenses, fund equity, and cash flows for the years then ended. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Public Trust Authority as of May 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States of America.

Our audits were made for the purpose of forming an opinion on the combined general purpose financial statements taken as a whole. The supplementary information included on pages 23 through 29 is presented for purposes of additional analysis and is not a required part of the combined general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2002 on our consideration of Calcasieu Parish Public Trust Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations, contracts, and grants.

November 26, 2002

Langley, Williams & Co., L.L.C.

Calcasieu Parish Public Trust Authority

COMBINED BALANCE SHEETS

May 31, 2002 and 2001

ASSETS

	<u>2002</u>	<u>2001</u>
Cash and cash equivalents	\$ 9,782,058	\$ 488,946
Investment securities	13,925,276	25,990,388
Mortgage-backed securities, net of deferred income of \$1,258 and \$1,670, and discounts of \$4,307 and \$5,717 in 2002 and 2001, respectively	21,873,015	17,137,713
Mortgage loans receivable	5,362,950	6,686,257
Accrued interest receivable	85,908	182,243
Real estate acquired from foreclosures	52,637	87,356
Deferred financing costs, net of accumulated amortization of \$935,855 and \$796,148 in 2002 and 2001, respectively	708,289	584,202
Other assets	<u>289</u>	<u>627</u>
Total Assets	\$ <u>51,790,422</u>	\$ <u>51,157,732</u>

LIABILITIES

Accounts payable	\$ 13,768	\$ 17,032
Accrued interest payable	550,505	671,637
Mortgage revenue bonds payable	<u>46,354,986</u>	<u>45,889,921</u>
Total Liabilities	46,919,259	46,578,590

FUND EQUITY

Reserved fund equity	4,073,275	3,758,991
Unreserved fund equity	<u>797,888</u>	<u>820,151</u>
Total Fund Equity	<u>4,871,163</u>	<u>4,579,142</u>
Total Liabilities and Fund Equity	\$ <u>51,790,422</u>	\$ <u>51,157,732</u>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority

COMBINED STATEMENTS OF REVENUES AND EXPENSES

Years Ended May 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Interest Income		
Investment securities	\$ 1,194,952	\$ 1,615,636
Mortgage-backed securities	1,052,933	851,771
Mortgage loans receivable	<u>553,092</u>	<u>731,903</u>
	2,800,977	3,199,310
Interest Expense		
Bond interest	<u>2,296,969</u>	<u>2,680,342</u>
Net Interest Income	504,008	518,968
 Operating Income		
Servicing fees	100,495	105,384
Participation fees	-	36,953
Net recoveries from foreclosures	<u>16,726</u>	<u>-</u>
	117,221	142,337
Operating Expenses		
Mortgage servicing fees	25,974	23,587
Mortgage insurance	7,243	6,947
Amortization of deferred charges	135,795	85,276
Accounting and auditing fees	21,200	24,200
Trustee and paying agent fees	24,944	32,345
Administrative expenses	127,055	154,019
Depreciation expense	<u>403</u>	<u>390</u>
	<u>342,614</u>	<u>326,764</u>
Net Revenues over Expenses	\$ <u>278,615</u>	\$ <u>334,541</u>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority

COMBINED STATEMENTS OF FUND EQUITY

Years Ended May 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Retained Earnings:		
Balance at beginning of year	\$ 2,181,019	\$ 1,846,478
Net income	278,615	334,541
Prior period adjustment	<u>13,406</u>	<u>-</u>
Balance at end of year	2,473,040	2,181,019
Additional Paid-in Capital		
Balance at beginning of year	2,398,123	2,398,123
Transfers from other funds	14,761,198	296,137
Transfers to other funds	<u>(14,761,198)</u>	<u>(296,137)</u>
Balance at end of year	<u>2,398,123</u>	<u>2,398,123</u>
Total Fund Equity	4,871,163	4,579,142
Fund equity reserved under provisions of bond indentures	<u>(4,073,275)</u>	<u>(3,758,991)</u>
FUND EQUITY, unreserved	\$ <u><u>797,888</u></u>	\$ <u><u>820,151</u></u>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority
COMBINED STATEMENTS OF CASH FLOWS

Years Ended May 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Net revenue over expenses	\$ 278,615	\$ 334,541
Adjustments to reconcile to net cash provided by operating activities:		
Amortization, net of accretion	30,329	30,866
Net recovery from foreclosures	(16,926)	-
Depreciation expense	338	390
Net changes in:		
Accounts receivable	-	12,945
Accrued interest receivable	96,335	(58,429)
Accounts payable	(3,264)	(36,057)
Accrued interest payable	(<u>121,132</u>)	(<u>84,313</u>)
NET CASH PROVIDED BY OPERATING ACTIVITIES	264,495	368,569
Cash flows from financing activities:		
Proceeds from issuance of bonds	10,823,250	10,884,790
Principal payments on bonds	(10,254,911)	(10,120,391)
Deferred financing costs	(<u>259,794</u>)	(<u>186,456</u>)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	308,545	577,943
Cash flows from investing activities:		
Collections of mortgage loans receivable	1,295,581	1,339,230
Proceeds from sales of other real estate	92,578	34,311
Proceeds of investment securities maturities	32,317,813	18,531,089
Purchases of investment securities	(<u>24,985,900</u>)	(<u>21,501,864</u>)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>8,720,072</u>	<u>(1,597,234)</u>
Net change in cash	9,293,112	(650,722)
Cash and cash equivalents, beginning of year	<u>488,946</u>	<u>1,139,668</u>
Cash and cash equivalents, end of year	\$ <u><u>9,782,058</u></u>	\$ <u><u>488,946</u></u>

*Supplemental Disclosure: Cash paid for bond interest was \$2,418,101 and \$2,642,153 in 2002 and 2001, respectively.
Noncash transactions: Real estate acquired from foreclosures was \$29,036 and \$87,356 in 2002 and 2001, respectively.*

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

1. Organization:

The Calcasieu Parish Public Trust Authority was created through a trust indenture dated May 14, 1979, pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The Authority is a legal entity separate and apart from the parish government, although the parish government is the ultimate beneficiary of all residuals of the trust estate. The initial legislation and subsequent amendments grant the Authority the right to obtain resources to promote the financing and development of any essential program conducted in the public's interest within the boundaries of Calcasieu Parish, Louisiana. The Authority's primary activities involve the issuance of bonds to obtain resources for the purpose of assisting in the financing of housing needs for persons of low and moderate incomes in Calcasieu Parish.

The bonds are solely the obligations of the Authority and are payable from revenues derived from mortgage loans, mortgage-backed securities and investments acquired pursuant to the indentures to which such bonds relate. The bonds are not obligations of Calcasieu Parish or any other governmental entity.

The Authority is managed by a Board of Trustees empowered to contract with outside parties to conduct the operations of the various programs. The Authority also contracts with national banking institutions to serve as trustee for each of its bond programs or as its custodial bank for the Authority's unrestricted resources.

The financial statements of the individual bond funds are presented on a combined basis. All interfund transactions have been eliminated. The Authority maintains a separate self-balancing set of books (a fund) for each bond program and an operating fund to account for its unrestricted assets. The assets of each individual bond fund are restricted under the related bond indentures. Accordingly, the combined totals on the financial statements are not intended to indicate that the combined assets are available for any purpose due to the contractual restrictions imposed on certain assets and the income derived therefrom. Additionally, the combined totals do not present consolidated financial information. Included in the totals are unrestricted assets that are available to the Authority for its unrestricted use.

2. Summary of Significant Accounting Policies:

Basis of Accounting and Financial Reporting

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

2. Summary of Significant Accounting Policies: (Continued)

Basis of Accounting and Financial Reporting - (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The criteria for including a potential component unit within the reporting entity are:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization was not included due to the nature or significance of the relationship, the Calcasieu Parish Public Trust Authority was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying general purpose financial statements present information only on the funds maintained by the Calcasieu Parish Public Trust Authority and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

The Authority's financial statements are presented in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board (GASB) as applicable to all state and local governments.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

2. Summary of Significant Accounting Policies: (Continued)

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost which approximates fair market value. For financial statement purposes, the Authority considers cash, demand deposits, certificates of deposit and debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investment Securities

Bonds and notes are carried at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity. The Board intends to hold such investments to maturity. Gains and losses on the sale of investments are determined using the specific-identification method.

Mortgage-Backed Securities

Mortgage-backed securities are stated at cost, adjusted for amortization of premiums and accretions of fees and discounts using a method that approximates level yields. These securities are issued by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (FNMA). Such securities are backed by mortgage loans originated in Calcasieu Parish, Louisiana. Monthly payments of principal and interest are passed through to the Authority to finance debt service payments and other administrative costs. The Authority has adequate liquidity and capital, and it is generally the Board's intention to hold such assets to maturity. Should any be sold, gains and losses will be recognized based on the specific identification method.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

2. Summary of Significant Accounting Policies: (Continued)

Mortgage loans receivable

Mortgage loans receivable are stated at unpaid principal balances, less the deferred revenues received for its commitment to purchase the loans. The deferred revenues are amortized over the life of the loan and recognized as a component of interest income. In the event of an extraordinary mandatory redemption of the bonds due to nonorigination of mortgage loans, the entire unamortized balance is recognized as commitment fee income.

The allowance for loan losses is increased by charges to income and recoveries and decreased by charge-offs. Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, current economic conditions, insurance protection provided against possible loan losses and any other factors which require consideration in estimating such losses.

Real Estate Acquired Through Foreclosures

Real estate properties acquired through loan foreclosure are initially recorded at the unpaid principal balance of the loan. Costs relating to improving the property are capitalized. This real estate must be restored to its original condition, normal wear and tear expected, before the mortgage insurance coverage applies.

Deferred Financing Costs

The cost of issuing mortgage revenue bonds are deferred and amortized over the life of the bonds as a financing expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

Bond Discounts

Original issue discounts realized upon issuance of bonds are deferred and presented as a reduction of the face amount of bonds payable on the balance sheet. The deferred amount is amortized over the life of the bonds as a component of interest expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

2. Summary of Significant Accounting Policies: (Continued)

Income Taxes

The Authority is exempt from federal and state income taxes.

3. Cash and Cash Equivalents:

The Authority had cash and cash equivalents totaling \$9,782,058 and \$488,946 at May 31, 2002 and 2001, respectively. The FDIC insured cash and cash equivalents in the amount of \$231,035 and \$273,975 at May 31, 2002 and 2001, respectively. The remaining balance of \$53,494 and \$219,298 at May 31, 2002 and 2001 was uninsured and uncollateralized (GASB Category 3). Uncollateralized deposits include balances that are collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Authority's name. Under Louisiana Revised Statutes, there are no specific requirements regarding investment of idle funds or collateralization of deposits applicable to public trusts.

4. Investment Securities:

The permissible types of investments under the various bond programs are governed by the underlying bond indentures. Under Louisiana Revised Statutes, there are no specific requirements regarding permissible investments of a public trust. The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments which are unsecured. Unsecured investments include securities held for the Authority but not in its name.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

4. Investment Securities: (Continued)

May 31, 2002

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 320,497	\$ 320,497	\$ 324,088
Investment Agreements	13,437,105	13,437,105	13,437,105
FHLB	85,909	85,909	89,216
FHLMC	<u>81,765</u>	<u>81,765</u>	<u>81,957</u>
Totals	\$ <u>13,925,276</u>	\$ <u>13,925,276</u>	\$ <u>13,932,366</u>

May 31, 2001

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 353,514	\$ 353,514	\$ 358,952
Investment Agreements	25,505,652	25,505,652	25,505,652
FHLB	110,801	110,801	113,202
FHLMC	<u>20,419</u>	<u>20,419</u>	<u>20,588</u>
Totals	\$ <u>25,990,386</u>	\$ <u>25,990,386</u>	\$ <u>25,998,394</u>

The amortized cost and approximate market value of investment securities are:

May 31, 2002

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
U. S. Treasury Notes	\$ 320,497	\$ 3,591	\$ 324,088
Investment Agreements	13,437,105	-	13,437,105
FHLB	85,909	3,307	89,216
FHLMC	<u>81,765</u>	<u>192</u>	<u>81,957</u>
	\$ <u>13,925,276</u>	\$ <u>7,090</u>	\$ <u>13,932,366</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

4. Investment Securities: (Continued)

May 31, 2001

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
U. S. Treasury Notes	\$ 353,514	\$ 5,438	\$ 358,952
Investment Agreements	25,505,652	-	25,505,652
FHLB	110,801	2,401	113,202
FHLMC	<u>20,419</u>	<u>169</u>	<u>20,588</u>
	<u>\$ 25,990,386</u>	<u>\$ 8,008</u>	<u>\$ 25,998,394</u>

The investment agreements are between the Authority and Berkshire Hathaway, Inc. The agreements contain provisions that stipulate in the event Berkshire Hathaway's senior unsecured long-term debt rating by Moody's Investors Service, Inc., falls below A2 for the 1991 Series A Agreement or A3 for other bond programs, the Authority shall have the right to withdraw the investment unless Berkshire Hathaway, Inc., enters into and collateralizes an investment agreement in repurchase format which is in a form and content satisfactory to all parties. The collateral shall be comprised of U.S. Treasury or agency obligations and subject to other conditions as specified in the Agreements. These investments mature after 10 years.

5. Mortgage-Backed Securities:

The GNMA and FNMA mortgage-backed securities have interest rates ranging from 4.75% to 8.00%. These securities are carried on the balance sheet net of deferred revenues in the amount of \$1,258 and \$1,670 and discounts of \$4,307 and \$5,717 at May 31, 2002 and 2001, respectively. Monthly principal and interest payments from the GNMA and FNMA mortgage-backed securities are guaranteed by GNMA and FNMA. Payments flow through to the holders of the Mortgage Revenue Bonds.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

5. Mortgage-Backed Securities: (Continued)

May 31, 2002

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 17,076,181	\$ (134,102)	\$ 16,942,079
FNMA Mortgage-backed Securities	<u>4,796,834</u>	<u>(40,365)</u>	<u>4,756,469</u>
	<u>\$ 21,873,015</u>	<u>\$ (174,467)</u>	<u>\$ 21,698,548</u>

May 31, 2001

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 13,505,860	\$(277,771)	\$ 13,228,089
FNMA Mortgage-backed Securities	<u>3,631,854</u>	<u>(112,606)</u>	<u>3,519,248</u>
	<u>\$ 17,137,714</u>	<u>\$ (390,377)</u>	<u>\$ 16,747,337</u>

These investments mature after 10 years.

6. Mortgage Loans Receivable:

Mortgage loans are pledged as security on the Mortgage Revenue Refunding Bonds as follows:

	<u>May 31, 2002</u>	<u>May 31, 2001</u>
1991 Series A	\$ -	\$ 4,929,971
1992 Series B	1,302,280	1,594,499
2002 Series B	3,952,921	-
Operating Fund	<u>107,749</u>	<u>161,787</u>
	<u>\$ 5,362,950</u>	<u>\$ 6,686,257</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

7. Mortgage Revenue Bonds Payable

Mortgage revenue bonds outstanding are as follows:

	<u>May 31, 2002</u>	<u>May 31, 2001</u>
1989 Series A:		
Current interest bonds, dated December 1, 1989, with a scheduled maturity on June 1, 2021, bearing interest at 7.90% payable monthly	\$ 498,842	\$ 611,468
1991 Series A:		
Current interest bonds, dated May 1, 1991 due June 1, 2012 with scheduled mandatory redemptions, bearing interest at 7.75% payable semiannually on June 1 and December 1	2,625,000	3,965,000
Current interest bonds, dated May 1, 1991 due December 1, 2012 with scheduled mandatory redemptions, bearing interest at 7.75% payable semiannually on June 1 and December 1	4,375,000	4,375,000
1992 Series B:		
Current interest bonds, dated December 1, 1992 due November 1, 2002 with scheduled mandatory redemptions, bearing interest at 6.375% payable semiannually on May 1 and November 1	30,000	100,000

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

7. Mortgage Revenue Bonds Payable: (Continued)

	<u>May 31, 2002</u>	<u>May 31, 2001</u>
1992 Series B:		
Current interest bonds, dated December 1, 1992, due November 1, 2012 with scheduled mandatory redemptions, bearing interest at 6.875% payable semiannually on May 1 and November 1	1,220,000	1,480,000
Compound interest bonds, dated December 1, 1992, due May 1, 2013 bearing interest of 7.256% payable at maturity	413,374	384,934
1997 Series A:		
Fixed rate bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 6.4% payable semiannually on October 1, and April 1	422,500	510,000
Convertible option bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 6.4% payable semiannually on October 1 and April 1	422,500	510,000
1998 Series A:		
Fixed rate bonds, dated April 1, 1998, due April 1, 2012 bearing interest of 5.55% payable semiannually on October 1 and April 1	3,364,404	4,093,100
Fixed rate bonds, dated April 1, 1998, due April 1, 2024 bearing interest of 4.75% payable semiannually on October 1 and April 1	434,117	2,971,632
Fixed rate bonds, dated April 1, 1998, due April 1, 2032 bearing interest of 6.10% payable semiannually on October 1 and April 1	7,085,403	7,085,403

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

7. Mortgage Revenue Bonds Payable: (Continued)

May 31, 2002

May 31, 2001

2000 Series A:

Fixed rate bonds dated April 1, 2000, due April 1, 2031 bearing interest at 7.0% payable semiannually on April 1 and October 1.	992,054	2,128,747
Fixed rate bonds dated April 1, 2000, due October 1, 2031 bearing interest at 7.0% payable semiannually on April 1 and October 1.	2,223,083	4,789,847
Fixed rate bonds dated April 1, 2000, due October 1, 2016 bearing interest at 7.8% payable semiannually on April 1 and October 1.	570,000	2,000,000

2001 Series A:

Fixed note bonds dated April 1, 2001, due October 1, 2016, bearing interest at 5.2% payable semiannually on April 1 and October 1.	1,555,000	1,555,000
Fixed rate bonds dated April 1, 2001, due April 1, 2032, bearing interest at 6.05% payable semiannually on April 1 and October 1.	4,702,786	4,712,550
Fixed rate bonds dated April 1, 2001, due October 1, 2032, bearing interest at 5.85% payable semiannually on April 1 and October 1.	4,597,673	4,617,240

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

7. Mortgage Revenue Bonds Payable: (Continued)

May 31, 2002

May 31, 2001

2002 Series A:

Fixed note bonds dated April 1, 2002, due October 1, 2024,
bearing interest at 4.0% until April 1, 2002 and 5.75%
thereafter payable semiannually on April 1 and October 1.

3,324,960

-

Fixed rate bonds dated April 1, 2002, due April 1, 2033,
bearing interest at 4.5% until April 1, 2002 and 6.05%
payable semiannually on April 1 and October 1.

3,673,290

-

2002 Series B:

Fixed rate bonds dated April 1, 2002, due October 1, 2012,
Bearing interest at 5.5% payable semiannually on
April 1 and October 1.

3,825,000

-

\$ 46,354,986

\$ 45,889,921

Debt maturities and sinking fund requirements during each of the five years ended May 31, 2003 through May 31, 2007 and thereafter are as follows:

<u>Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 1,211,526	\$ 2,637,219	\$ 3,848,745
2004	1,385,426	2,655,001	4,040,427
2005	1,544,388	2,557,382	4,101,770
2006	1,694,215	2,449,314	4,143,529
2007	1,824,126	2,332,291	4,156,417
Thereafter	<u>38,695,305</u>	<u>27,215,748</u>	<u>65,911,053</u>
	<u>\$ 46,354,986</u>	<u>\$ 39,846,955</u>	<u>\$ 86,201,941</u>

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

7. Mortgage Revenue Bonds Payable: (Continued)

The 1991 Series A bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The bonds maturing on June 1, 2012 and December 1, 2012 are subject to redemption on or after June 1, 2001, at the option of the Authority, at any time from available monies at a redemption price equal to 103% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent June 1 to a redemption price of 100% of the principal amount so called.

The 1992 Series B bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The current interest bonds maturing on November 1, 2012, and the compound interest bonds are subject to redemption on or after November 1, 2002, at the option of the Authority, at any time from available monies at a redemption price equal to 103% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent November 1 to a redemption price of 100% of the principal amount so called.

The Series 1997 A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage loans are deposited in certain redemption accounts equal \$5,000 or more. The Fixed Rate Bonds bear a stated annual interest of 6.40%. The Convertible Option Bonds bear an annual interest for a 60-day tax-exempt commercial paper published that day or 60% of the bond equivalent rate for a 91-day United States Treasury Bill. The Bonds are subject to redemption on or after April 1, 2007, at the option of the Authority, at any time from available monies at a redemption price equal to 102% of the principal amount called for redemption. The early call premium is reduced by 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 1998 Series A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 4.75% to 6.10%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2008, at any time from available monies at redemption prices equal to 105% of the principal amount called for redemption on the 2032 bonds and 102% of the principal amount called for redemption on the 2012 and 2024 bonds.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

7. Mortgage Revenue Bonds Payable: (Continued)

The 2000 Series A Bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 7.0% to 7.8%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2010, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 2001 Series A issue consists of \$1,555,000 in Program Bonds and \$8,810,000 in Premium Term Bonds. The Program Bonds are subject to redemption at par and the Premium Term Bonds are subject to redemption at 105% of the principal amount at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 5.2% to 6.05%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2011, in whole or part at any time from available monies. Bonds maturing on October 1, 2016, are subject to optional redemption on or after April 1, 2011, at a redemption price of 103% of the principal amount called. Bonds maturing April 1, 2032, and October 1, 2032, are subject to optional redemption on or after April 1, 2011, at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 2002 Series A Bonds are subject to redemption at par at certain dates prior to their stated maturities, in part randomly by payment of sinking fund installments beginning on April 1, 2004. The bonds bear stated annual interest ranging from 4.0% to 4.5% until April 1, 2003, then from 5.75% to 6.05% thereafter. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2012, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called. The proceeds from these bonds are to be transferred to the 1991 Bond trustee to pay a portion of the principal redemption price of the 1991 bonds on July 1, 2002 in the amount of \$6,998,250.

The 2002 Series B Bonds are subject to mandatory redemption in part on April 1 and October 1 of each year, commencing October 1, 2002, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date through October 1, 2012. The bonds bear a stated annual interest of 5.5%. These bond proceeds were used to purchase all of the outstanding mortgage loan receivables held under the 1991 Indenture.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 2002 and 2001

8. Revenue Bonds Payable:

The revenue bond issues include a covenant which provides that the bonds are payable solely from payments made by the lessor or owner of the project financed by the bond proceeds. The Authority is under no obligation to pay the bonds from any other source. In accordance with industry standards, the debt and related capital leases are not recorded in the financial statements. The projects and related balances of the debt are as follows:

	<u>May 31, 2002</u>	<u>May 31, 2001</u>
Industrial Development:		
1994 Series (PPG Industries, Inc. Project)	\$ 3,300,000	\$ 7,300,000
1997 Series A (WPT Corporation Project)	10,889,000	10,889,000
2001 Series (Groth Equipment Corporation Project)	955,000	1,000,000
Other:		
2001 Series (McNeese State Univeristy Student Housing-Cowboy Facilities Inc. Project)	<u>21,120,000</u>	<u>21,120,000</u>
	<u>\$ 36,264,000</u>	<u>\$ 40,309,000</u>

9. Related Party Transactions:

The members of the Authority's Board of Trustees receive a per diem payment for each meeting attended and are reimbursed for actual expenses incurred in their capacity as trustees of the Authority. The following payments were made to the members of the Board of Trustees for per diem:

	<u>May 31, 2002</u>	<u>May 31, 2001</u>
Francis Bellows	\$ 400	\$ 550
Harry Broussard	400	150
Herman Busch	600	550
Tim Castle	600	550
Robert Goldsmith	-	250
Robert Jones	550	550
John Nash	550	600
Stanton Nichols	-	300
Alvin Stevens	600	846
Angie Wood	500	550
Ken Broussard	<u>500</u>	<u>-</u>
	<u>\$ 4,700</u>	<u>\$ 4,896</u>

SUPPLEMENTAL INFORMATION

Calcasieu Parish Public Trust Authority

COMBINING BALANCE SHEETS

May 31, 2002

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>	<u>1997 A</u> <u>Bond Fund</u>
ASSETS				
Cash and cash equivalents	\$ 5,071	\$ 14,401	\$ -	\$ -
Investment securities	-	-	349,561	28,904
Mortgage-backed securities, net	488,385	-	-	965,039
Mortgage loans receivable	-	-	1,302,280	-
Accrued interest receivable	3,318	11,078	4,796	1,852
Real estate acquired from foreclosures	-	52,637	-	-
Deferred financing costs, net	6,537	39,530	27,663	13,305
Other assets	-	-	-	-
Due from (to) other funds	<u>-</u>	<u>(5,434)</u>	<u>5,434</u>	<u>(447)</u>
Total Assets	\$ <u>503,311</u>	\$ <u>112,212</u>	\$ <u>1,689,734</u>	\$ <u>1,008,653</u>
LIABILITIES				
Accounts payable	\$ 43	\$ 7,684	\$ 2,045	\$ -
Accrued interest payable	3,287	271,250	7,051	4,445
Mortgage revenue bonds payable	<u>498,842</u>	<u>7,000,000</u>	<u>1,663,374</u>	<u>845,000</u>
Total Liabilities	502,172	7,278,934	1,672,470	849,445
FUND EQUITY				
Retained earnings (deficit)	1,139	2,359,099	(35,732)	(40,792)
Additional paid-in capital	<u>-</u>	<u>(9,525,821)</u>	<u>52,996</u>	<u>200,000</u>
Total Fund Equity	<u>1,139</u>	<u>(7,166,722)</u>	<u>17,264</u>	<u>159,208</u>
Total Liabilities and Equity	\$ <u>503,311</u>	\$ <u>112,212</u>	\$ <u>1,689,734</u>	\$ <u>1,008,653</u>

<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001A Bond Fund</u>	<u>2002A Bond Fund</u>	<u>2002B Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ -	\$ 11,563	\$ 153,487	\$ 9,287,979	\$ 218,447	\$ 91,110	\$ 9,782,058
471,379	71,534	5,066,546	7,158,250	290,930	488,172	13,925,276
10,769,329	3,728,543	5,823,407	-	-	98,312	21,873,015
-	-	-	-	3,952,921	107,749	5,362,950
23,722	6,152	23,315	6,237	91	5,347	85,908
-	-	-	-	-	-	52,637
174,875	7,482	179,103	176,982	82,812	-	708,289
-	-	-	-	-	289	289
(5,805)	(2,748)	(1,868)	-	-	10,868	-
<u>\$ 11,433,500</u>	<u>\$ 3,822,526</u>	<u>\$ 11,243,990</u>	<u>\$ 16,629,448</u>	<u>\$ 4,545,201</u>	<u>\$ 801,847</u>	<u>\$ 51,790,422</u>
\$ 2	\$ 3	\$ 32	\$ -	\$ -	\$ 3,959	\$ 13,768
99,689	42,760	100,760	12,497	8,766	-	550,505
<u>10,883,924</u>	<u>3,785,137</u>	<u>10,855,459</u>	<u>6,998,250</u>	<u>3,825,000</u>	<u>-</u>	<u>46,354,986</u>
10,983,615	3,827,900	10,956,251	7,010,747	3,833,766	3,959	46,919,259
202,865	(54,382)	(125,398)	(6,260)	21,231	151,271	2,473,041
<u>247,020</u>	<u>49,008</u>	<u>413,137</u>	<u>9,624,961</u>	<u>690,204</u>	<u>646,617</u>	<u>2,398,122</u>
<u>449,885</u>	<u>(5,374)</u>	<u>287,739</u>	<u>9,618,701</u>	<u>711,435</u>	<u>797,888</u>	<u>4,871,163</u>
<u>\$ 11,433,500</u>	<u>\$ 3,822,526</u>	<u>\$ 11,243,990</u>	<u>\$ 16,629,448</u>	<u>\$ 4,545,201</u>	<u>\$ 801,847</u>	<u>\$ 51,790,422</u>

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF REVENUES AND EXPENSES

Year Ended May 31, 2002

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 B</u> <u>Bond Fund</u>	<u>1992 A</u> <u>Bond Fund</u>	<u>1997A</u> <u>Bond Fund</u>
REVENUES				
Interest Income:				
Investment securities	\$ 195	\$ 449,048	\$ 17,242	\$ 35,613
Mortgage-backed securities	43,279	-	-	36,079
Mortgage loans receivable	<u>-</u>	<u>386,679</u>	<u>123,840</u>	<u>-</u>
	43,474	835,727	141,082	71,692
Interest Expense				
Bond interest	<u>41,069</u>	<u>588,290</u>	<u>124,413</u>	<u>53,893</u>
Net Interest Income	2,405	247,437	16,669	17,799
Operating Income				
Servicing fees	-	-	-	-
Participation fees	-	-	-	-
Net recoveries from foreclosures	<u>-</u>	<u>16,726</u>	<u>-</u>	<u>-</u>
	-	16,726	-	-
Operating Expenses				
Mortgage servicing fees	262	18,594	7,118	-
Mortgage insurance	-	4,798	2,445	-
Amortization of deferred charges	1,623	27,442	5,397	2,755
Accounting and auditing fees	-	-	-	-
Trustee and paying agent fees	262	3,888	2,050	87
Administrative expenses	534	8,535	1,014	6,874
Depreciation expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,681</u>	<u>63,257</u>	<u>18,024</u>	<u>9,716</u>
Net Revenues over (under) Expenses	\$ (<u>276</u>)	\$ <u>200,906</u>	\$ (<u>1,355</u>)	\$ <u>8,083</u>

<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001 A Bond Fund</u>	<u>2002A Bond Fund</u>	<u>2002B Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ 176,411	\$ 87,462	\$ 382,731	\$ 6,237	\$ 92	\$ 39,921	\$ 1,194,952
608,965	256,549	108,061	-	-	-	1,052,933
-	-	-	-	29,905	12,668	553,092
<u>785,376</u>	<u>344,011</u>	<u>490,792</u>	<u>6,237</u>	<u>29,997</u>	<u>52,589</u>	<u>2,800,977</u>
 <u>579,951</u>	 <u>302,673</u>	 <u>585,417</u>	 <u>12,497</u>	 <u>8,766</u>	 <u>-</u>	 <u>2,296,969</u>
205,425	41,338	(94,625)	(6,260)	21,231	52,589	504,008
-	-	-	-	-	100,495	100,495
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,726</u>
-	-	-	-	-	100,495	117,221
-	-	-	-	-	-	25,974
-	-	-	-	-	-	7,243
73,527	16,697	8,354	-	-	-	135,795
-	-	-	-	-	21,200	21,200
7,178	1,589	2,073	-	-	7,817	24,944
76,359	2,837	1,975	-	-	28,927	127,055
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>403</u>
<u>157,064</u>	<u>21,123</u>	<u>12,402</u>	<u>-</u>	<u>-</u>	<u>58,347</u>	<u>342,614</u>
\$ <u>48,361</u>	\$ <u>20,215</u>	\$ (<u>107,027</u>)	\$ (<u>6,260</u>)	\$ <u>21,231</u>	\$ <u>94,737</u>	\$ <u>278,615</u>

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF FUND EQUITY

Year Ended May 31, 2002

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>	<u>1997A</u> <u>Bond Fund</u>
Fund Equity (Deficit):				
Balance at beginning of year	\$ 1,415	\$ 2,144,786	\$ (34,377)	\$ (48,875)
Net income (loss)	(276)	200,906	(1,355)	8,083
Prior period adjustment	<u>-</u>	<u>13,406</u>	<u>-</u>	<u>-</u>
 Balance at end of year	 <u>1,139</u>	 <u>2,359,098</u>	 <u>(35,732)</u>	 <u>(40,792)</u>
Additional Paid-in Capital:				
Balance at beginning of year	-	789,345	52,996	200,000
Transfers from other funds	-	-	-	-
Transfers to other funds	<u>-</u>	<u>(10,315,166)</u>	<u>-</u>	<u>-</u>
 Balance at end of year	 <u>-</u>	 <u>(9,525,821)</u>	 <u>52,996</u>	 <u>200,000</u>
 Total Fund Equity	 1,139	 (7,166,723)	 17,264	 159,208
 Fund equity reserved under provisions of bond indentures	 (<u>1,139</u>)	 <u>7,166,723</u>	 (<u>17,264</u>)	 (<u>159,208</u>)
 FUND EQUITY, unreserved	 \$ <u><u>-</u></u>	 \$ <u><u>-</u></u>	 \$ <u><u>-</u></u>	 \$ <u><u>-</u></u>

<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001 A Bond Fund</u>	<u>2002A Bond Fund</u>	<u>2002B Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ 154,504 48,361 <u>-</u>	\$ (74,597) 20,215 <u>-</u>	\$ (18,371) (107,027) <u>-</u>	\$ - (6,260) <u>-</u>	\$ - 21,231 <u>-</u>	\$ 56,534 94,737 <u>-</u>	\$ 2,181,019 278,615 <u>13,406</u>
<u>202,865</u>	<u>(54,382)</u>	<u>(125,398)</u>	<u>(6,260)</u>	<u>21,231</u>	<u>151,271</u>	<u>2,473,040</u>
247,020 - <u>-</u>	49,008 - <u>-</u>	296,137 117,000 <u>-</u>	- 10,128,994 <u>(504,032)</u>	- 4,515,204 <u>(3,825,000)</u>	763,617 - <u>(117,000)</u>	2,398,123 14,761,198 <u>(14,761,198)</u>
<u>247,020</u>	<u>49,008</u>	<u>413,137</u>	<u>9,624,962</u>	<u>690,204</u>	<u>646,617</u>	<u>2,398,123</u>
449,885	(5,374)	287,739	9,618,702	711,435	797,888	4,871,163
<u>(449,885)</u>	<u>5,374</u>	<u>(287,739)</u>	<u>(9,618,702)</u>	<u>(711,435)</u>	<u>-</u>	<u>(4,073,275)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>797,888</u>	\$ <u>797,888</u>

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF CASH FLOWS

Year Ended May 31, 2002

	<u>1989 A</u> <u>Bond Fund</u>	<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>	<u>1997A</u> <u>Bond Fund</u>
Cash flows from operating activities:				
Net revenues over expenses	\$ (276)	\$ 200,906	\$ (1,355)	\$ 8,083
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Amortization, net of accretion	(481)	27,442	34,950	2,754
Net recovery from foreclosures	-	(16,726)	-	-
Depreciation expense	-	-	-	-
Net changes in:				
Accrued interest receivable	756	3,045	564	654
Accounts payable	(9)	(4,055)	(550)	(3)
Due to (from) other funds	-	-	-	(57)
Accrued interest payable	(746)	(51,925)	(2,132)	(6,107)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(756)	158,687	31,477	5,324
Cash flows from financing activities:				
Proceeds from issuance of bonds	-	-	-	-
Principal payments on bonds	(112,626)	(1,340,000)	(330,000)	(175,000)
Transfers to other funds	-	(6,303,994)	-	-
Transfers from other funds	-	-	-	-
Deferred financing costs	-	-	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(112,626)	(7,643,994)	(330,000)	(175,000)
Cash flows from investing activities:				
Collections of mortgage loans receivable	-	891,073	292,219	-
Proceeds from sales of other real estate	-	92,578	-	-
Proceeds from investment securities maturities	112,770	8,068,993	400,955	360,161
Purchases of investment securities	-	(1,866,315)	(429,851)	(190,486)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	112,770	7,186,329	263,323	169,675
Net increase (decrease) in cash	(612)	(298,978)	(35,200)	(1)
Cash and cash equivalents, beginning of year	5,683	313,379	35,200	1
Cash and cash equivalents, end of year	\$ 5,071	\$ 14,401	-	\$ -

<u>1998 A Bond Fund</u>	<u>2000 A/B Bond Fund</u>	<u>2001A/B Bond Fund</u>	<u>2002A Bond Fund</u>	<u>2002B Bond Fund</u>	<u>Operating Fund</u>	<u>Combined Totals</u>
\$ 48,361	\$ 20,215	\$ (107,027)	\$ (6,260)	\$ 21,231	\$ 94,737	\$ 278,615
(32,684)	10,326	(11,978)	-	-	-	30,329
-	-	-	-	-	-	(16,726)
-	-	-	-	-	338	338
19,787	14,634	61,814	(6,237)	(91)	1,409	96,335
(5)	(256)	32	-	-	1,582	(3,264)
(1,391)	2,748	1,868	-	-	(3,168)	-
(<u>25,091</u>)	(<u>57,678</u>)	<u>1,284</u>	<u>12,497</u>	<u>8,766</u>	<u>-</u>	(<u>121,132</u>)
8,977	(10,011)	(54,007)	-	29,906	94,898	264,495
-	-	-	6,998,250	3,825,000	-	10,823,250
(3,160,000)	(5,127,285)	(10,000)	-	-	-	(10,254,911)
-	-	-	(504,032)	(3,825,000)	(117,000)	(10,750,026)
-	-	117,000	10,128,994	504,032	-	10,750,026
-	-	-	(<u>176,982</u>)	(<u>82,812</u>)	<u>-</u>	(<u>259,794</u>)
(3,160,000)	(5,127,285)	107,000	16,446,230	421,220	(117,000)	308,545
-	-	-	-	58,251	54,038	1,295,581
-	-	-	-	-	-	92,578
5,352,542	11,531,295	6,118,123	-	-	372,974	32,317,813
(<u>2,201,519</u>)	(<u>6,412,330</u>)	(<u>6,020,827</u>)	(<u>7,158,250</u>)	(<u>290,930</u>)	(<u>415,392</u>)	(<u>24,985,900</u>)
<u>3,151,023</u>	<u>5,118,965</u>	<u>97,296</u>	(<u>7,158,250</u>)	(<u>232,679</u>)	<u>11,620</u>	<u>8,720,072</u>
-	(18,331)	150,289	9,287,980	218,447	(10,482)	9,293,112
-	<u>29,894</u>	<u>3,197</u>	<u>-</u>	<u>-</u>	<u>101,592</u>	<u>488,946</u>
\$ <u>-</u>	\$ <u>11,563</u>	\$ <u>153,486</u>	\$ <u>9,287,980</u>	\$ <u>218,447</u>	\$ <u>91,110</u>	\$ <u>9,782,058</u>



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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
SEC PRACTICE SECTION
OF AICPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Calcasieu Parish Public Trust Authority
Lake Charles, LA

We have audited the general purpose financial statements of the Calcasieu Parish Public Trust Authority as of and for the years ended May 31, 2002 and 2001, and have issued our report thereon dated November 26, 2002. We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Calcasieu Parish Public Trust Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Public Trust Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Calcasieu Parish Public Trust Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

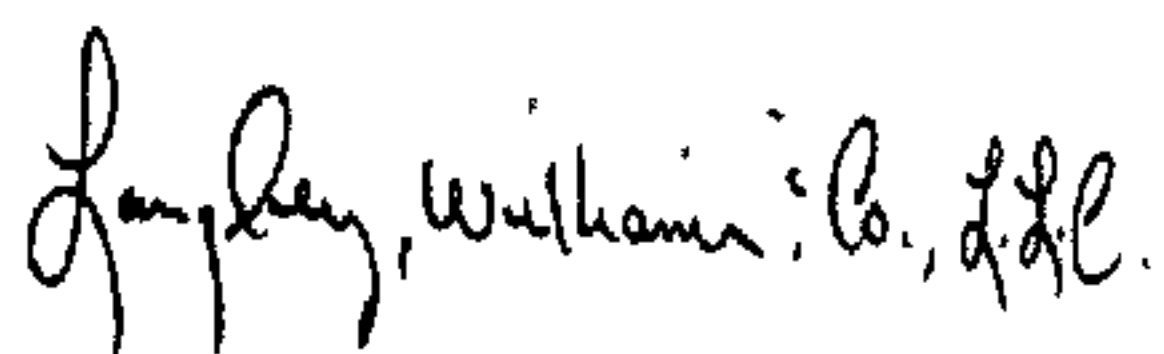
To the Board of Trustees
Calcasieu Parish Public Trust Authority
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A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be a material weakness.

Due to the significant amount of audit adjustments made it is apparent that there is an absence of appropriate reviews of transactions and the accounting entries.

This report is intended for the information of the audit committee, management, the Calcasieu Parish Police Jury, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, reading "Joseph W. Williams, Jr., CPA".

Lake Charles, LA
November 26, 2002

Calcasieu Parish Public Trust Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

May 31, 2002

We have audited the general purpose financial statements of Calcasieu Parish Public Trust Authority, as of and for the year ended May 31, 2002 and have issued our report thereon dated November 11, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of May 31, 2002 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the General Purpose Financial Statements

Internal Control:

Material Weaknesses	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Reportable Conditions	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Compliance:

Compliance Material to General Purpose Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Section II Financial Statement Findings

2002-01

Finding. There were a significant number of audit adjustments made and the financial records were not timely prepared.

Recommendation. The board should oversee the accounting function to insure accuracy and timeliness of preparation of the financial records.

Management's Corrective Action. The board has appointed one of its members, who is a certified public accountant, as an advisor to the Audit Committee. This advisor will review the financial records on a quarterly basis and report directly to the full board. The bookkeeping service has been requested to submit quarterly financial records to the board within 60 days of each quarter and within 90 days of year end.

Section III Federal Award Findings and Questioned Costs

Not applicable.

Calcasieu Parish Public Trust Authority
SCHEDULE OF PRIOR YEAR FINDINGS

May 31, 2002

Not applicable.

DATA COLLECTION FORM
FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form. Date Submitted 12/02/02	RETURN to: Legislative Auditor Attn: Engagement Processing Post Office Box 94397 Baton Rouge, Louisiana 70804-9397
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1. Fiscal Year Ending Date For This Submission: 5/31/02 3. Audit Period Covered <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Biennial <input type="checkbox"/> Other _____ to _____	2. Type of Report: <input type="checkbox"/> Single Audit <input checked="" type="checkbox"/> GAO Audit Standards Audit <input type="checkbox"/> Compilation <input type="checkbox"/> Compilation/Attestation <input type="checkbox"/> Program Audit <input type="checkbox"/> Other
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4. AUDITEE INFORMATION			5. AUDITOR INFORMATION		
Auditee Name Calcasieu Parish Public Trust Authority			Firm Name Langley, Williams & Company, LLC		
Street Address (Number and Street) 1011 Lakeshore Drive, 6 th Floor			b. Street Address (Number and Street) 205 W. College		
Mailing Address (PO No.)			Mailing Address (PO No.) Same		
City Lake Charles,	State Louisiana	Zip 70601	City Lake Charles,	State Louisiana	Zip 70605
Auditee Contact Name Title Jerry Milner Director of Finance Calcasieu Parish Police Jury			c. Auditor Contact Name Title Daphne B. Clark Partner		
Telephone Fax (337) 437-3500 Email (Optional)			Telephone Fax (337) 477-2827 (337) 478-8418 Email (Optional) daphne.cpa@xspedius.net		

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.
☐

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements. ☐ Not Applicable
☒ Unqualified Opinion ☐ Qualified Opinion ☐ Adverse Opinion ☐ Disclaimer of Opinion

b. Is a 'going concern' explanatory paragraph included in the audit report? ☐ Yes ☒ No

c. Do any of the funds have deficit fund balances? ☐ Yes ☒ No

d. Is there a related party footnote? ☐ Yes ☒ No

7. INTERNAL CONTROL

Do the comments on internal control include: ☒ material weaknesses ☒ reportable conditions ☐ not applicable

8. COMPLIANCE

Do the comments on compliance include: ☐ illegal acts ☐ fraud/criminal acts ☒ not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

Section II 2002-1	\$ _____	Resolved	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? ☐ Yes ☒ No

Do any findings address violation of bond indenture covenants? ☐ Yes ☒ No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

AUDITEE SIGNATURE <u><i>[Signature]</i></u>	Date <u>12/02/02</u>
FOR USE BY LEGISLATIVE AUDITOR	
Agency No. _____	Proj. No. _____ Firm No. _____

FOR USE BY LEGISLATIVE AUDITOR

Date Report Received: _____ Date Processed: _____

Legislative Audit Advisory Council:	Are there unresolved findings listed below?	Yes or No
District Attorney:	Are there findings of criminal acts?	Yes or No
Board of Ethics:	Are there findings of ethics, nepotism, or related parties?	Yes or No
State Bond Commission (SBC):	Are there any findings relating to violations of bond indentures?	Yes or No
	Does the report express going-concern reservations?	Yes or No
	Does the entity have a deficit greater than 5% of revenue? If so, identify the page(s) No(s) _____	Yes or No
High Profile:	Are there any significant findings?	Yes or No

Report: Approved for Release _____ Date: _____ Rank A B C D

(A=No Comments; B=Management Letter Comments Only; C=Control/Compliance Report(s) Comments; D=Criminal/Fraud Acts)

Note: For grading purposes, schedules of immaterial findings are treated as a management letter

REPORT DISTRIBUTION

File Room (<i>Original Unbound Copy</i>)	①	State of State (<i>State CAFR Entities</i>)	See Below
Attorney General	①	Investigative Group (<i>Criminal Acts</i>)	1
Clerk of Court _____	①	Board of Ethics	1
Kenner Office	1	Actuarial Section (<i>State/Statewide Retirement Systems</i>)	1
Shreveport Office	1	Engagement Manager (<i>SBC's Copy</i>)	1
District Attorney _____	1	Quality Assurance	1
Legislative Auditor (<i>High Profile</i>)	1	_____ Parish Government	1
Assistant Legislative Auditor (<i>High Profile</i>)	1	City/Village/Town of _____	1
Other (<i>High Profile</i>) _____	1	Other: _____	1
Press Bureau Chiefs (<i>High Profile</i>)	8	Other: _____	1
Press	②		
Archives	①	Distribution Approval (Initials) _____	
Legislative Audit Advisory Council	1	Copies Needed: _____ Copies TBM _____	